

**IDAHO INDUSTRIAL COMMISSION
BUSINESS PLAN
FY 07-FY 08**

The mission of the Idaho Industrial Commission is to:

- To impartially and efficiently administer the Idaho Workers' Compensation Law in a manner that ensures compliance with insurance requirements, prompt and accurate benefit payments, equitable judicial review and dispute resolution, and quality vocational rehabilitation services for injured workers.
- To assist innocent victims of crime recover from the traumatic effects of criminal conduct by providing financial assistance and community education in accordance with state and federal law.

The functions of the Commission are as follows:

1. Regulates workers' compensation activities in Idaho including companies licensed to issue workers' compensation policies.
2. Settles disputes between injured workers and employers.
3. Decides appeals about employment decisions from the Idaho Department of Commerce and Labor.
4. Contacts employers to maintain workers' compensation coverage as required by law.
5. Provides no-cost rehabilitation services to Idaho employers and workers injured on the job.
6. Provides financial assistance to innocent victims' of crime through the Crime Victims' Compensation Program.

ISSUE: Nationally, an issue facing all workers' compensation administrators is how to address rising medical costs while maintaining efficient and quality medical treatment for injured workers.

In 2002, the Commission formulated a task force to look at the medical reimbursement system in Idaho's workers' compensation and come up with a recommendation on how to provide a fair reimbursement system that would be fair and equitable to all parties. The task force was unable to come up with a consensus on how to establish a reimbursement system, and therefore, during the 2005 legislative session, the legislature charged the Industrial Commission with developing a fee schedule for physician services that would be in place by January 2006.

With very little time and resources, the Commission established a fee schedule for physician services within the guidelines set by the legislature. The fee schedule is very much a work in progress, and the Commission has established the following plan to

develop a medical fee schedule that will meet the needs of the injured workers of Idaho and that is fair and equitable to the medical professionals that provide those services.

1. Submit a Request for Proposal (RFP) for a contractor to review the Commission's current fee schedule and make recommendations for change; develop a reimbursement system for hospitals, pharmaceuticals and durable medical goods. (COMPLETED February 2007)
2. Review the recommendations of contractor for physician services and make any necessary changes to the current fee schedule. (May 2007)
3. Draft proposed rule changes pertaining to physician services for submission to Legislative Services in August 2007. (June 2007)
4. Review the recommendations of contractor for hospital, facility, pharmaceutical, and medical equipment reimbursement methodologies. (July 2007)
5. Hold public hearings on fee schedule changes so that stakeholders have an opportunity for comment on proposed rule. (October 2007 and 2008)
6. Draft proposed rules pertaining to hospitals, facilities, pharmaceuticals, and medical goods for submission to Legislative Services in August 2008. (August 2008)

ISSUE: Retaining and/or hiring high quality employees to carry out Industrial Commission responsibilities.

In Fiscal Year 2007, the Industrial Commission experienced a 16.6% turnover in its personnel. Several of these employees retired, but many left for higher paying positions in both the private and public sector. The Commission is taking the following steps to hopefully reduce the rate of turnover.

1. For Fiscal Year 2008 CEC disbursement, the Commission targeted those classifications with the highest turnover and gave them a higher percentage of merit monies. Merit distribution was also focused on those employees below the 90% of the compensation ratio relative to policy.
2. The Commission implemented its FY08 CEC disbursement early (April 22, 2007) to reward employee performance.
3. In an effort to be more competitive in the employment market, new employees are hired at least 5% above the minimum salary range.

4. Upon completion of an appropriate probationary period, salary levels are reviewed and a merit adjustment is made if fiscally possible.
5. A substantial effort has been made in the Commission's succession plan to identify future leaders for the Commission and maintain quality managers. A comprehensive succession plan has been developed.

ISSUE: Managing growth in services and payments on behalf of victims.

The Crime Victims' Compensation Program has seen tremendous growth. In the last five years alone, the number of claims filed with the program has increased by 72%. This not only raises concern about the administrative ability of the program to keep up with demands for services, but also the financial ability of the program to meet the growing needs for assistance.

1. The program is streamlining application and claim processing to increase efficiency in daily operations. Staff is being cross-trained in different areas of the department so that workflow is more efficient.
2. The Crime Victims' Compensation Program (CVCP) is working on adopting a fee schedule for services and payments to treatment and sexual assault exam providers. This effort will control medical expenditures of the program and reduce medical fee appeals that are handled by the Bureau Chief.
3. Recovery efforts are being enhanced by more aggressive attention with collection actions against offenders such as garnishing wages and inmate accounts, seizing assets, and developing credit card collection capability.
4. The CVCP is working with local legislators to increase the state funding mechanism to help meet the increasing demand for services and provide long-term financial stability. This would entail increasing the fines on criminal convictions of misdemeanors, felonies, and sexual related offenses. Fines on these convictions have not increased since 1993, and Idaho lags behind other Crime Victims' Compensation Programs in their fines for similar offenses.

ISSUE: To ensure that all Idaho employees that are eligible for Workers Compensation have access to that coverage.

The Industrial Commission has made great strides in making sure that Idaho employers have the necessary workers compensation coverage for their employees. The Commission has focused efforts in its Compliance

Division to investigate employers that are believed to be without the required workers compensation insurance and in providing educational programs for Idaho employers to educate them on their legal responsibilities under the Idaho Workers Compensation Law.

1. Public outreach efforts have increased to educate employers about workers' compensation insurance. The Commission has partnered with several state agencies to create the Small Business Information Forums that are designed to inform new employers about their legal requirements under Idaho law. The Commission has also partnered with the Board Of Licensing to educate contractors of their requirements under the Contractor Registration law.
2. The Commission is working with neighboring states to establish reciprocity agreements so that Idaho workers working in other states have workers compensation coverage.
3. The Commission is currently reviewing and drafting changes to Idaho Code and Industrial Commission Rules governing self-insured employers so that protection is in place to adequately protect Idaho workers.